

INSTRUMENT WHICH DOES NOT STATE:

- (i) THE PRINCIPAL AMOUNT OF THE LOAN;
- (ii) A SCHEDULE OF PAYMENTS OR A DESCRIPTION OF THE SCHEDULE; AND
- (iii) THE AGREED AMOUNT OR RATE OF INTEREST, CHARGES, AND FEES.

(B) PROHIBITED SECURITY — SECURITY INTERESTS FOR CERTAIN LOANS.

A LENDER MAY NOT TAKE ANY SECURITY INTEREST IN:

- (1) REAL PROPERTY FOR ANY LOAN UNDER \$2,000 IN VALUE OR AMOUNT; OR
- (2) PERSONAL PROPERTY FOR ANY LOAN UNDER \$700 IN VALUE OR AMOUNT.

REVISOR'S NOTE: Subsection (a) of this section presently appears as Art. 11, §198.

Subsection (b) of this section presently appears as Art. 11, §196(b)(3) and (4). In this subsection, the words "value or amount" are added to conform to the usage of §12-303(a) of this subtitle.

The only other changes are in style.

With respect to the use of the word "lender" in substitution for "licensee," see revisor's note to §12-301(c).

12-312. INSURANCE.

(A) COLLECTION OF INSURANCE PREMIUMS.

SUBJECT TO THE PROVISIONS OF THIS SECTION, A LENDER MAY COLLECT FROM THE BORROWER, AT THE OPTION OF THE BORROWER, THE PREMIUMS PAID TO INSURE:

- (1) REAL OR PERSONAL PROPERTY SECURING A LOAN; OR
- (2) THE LIFE OF ANY PERSON OBLIGATED ON A LOAN.

(B) LIMITATION ON INSURANCE COVERAGE.

- (1) THE AMOUNT OF PROPERTY INSURANCE MAY NOT EXCEED THE REASONABLE VALUE OF THE PROPERTY INSURED, AND